




THE DEPUTY SECRETARY OF COMMERCE  
Washington, D.C. 20230

OCT 3 2006

MEMORANDUM FOR Secretarial Officers  
Heads of Operating Units

FROM: David A. Sampson   
Deputy Secretary

SUBJECT: Safeguarding Personal Property and Sensitive Information

As a result of recent inquiries received from outside of the Commerce Department, serious deficiencies have been discovered relative to the management of personal property and the protection of personally identifiable information (PII). Commerce-wide searches conducted this summer revealed several significant issues, including more than 1,100 laptop computers that were stolen or lost over the last five years with limited evidence of remedial action being taken, inventory records for equipment and other personal property that were found unreliable, and procedures for safeguarding and reporting the loss of PII that were frequently not followed. The Department's responsibility for protecting the resources and information with which it is entrusted to carry out its mission – whether involving personally identifiable data, real or personal property, or monetary funds – necessitates the prompt and complete resolution of these deficiencies. Secretary Gutierrez and I are committed to doing so.

Achieving our immediate goal and successfully bringing about the cultural changes needed to guarantee that these or similar issues do not occur prospectively cannot, however, be accomplished without your personal involvement. I have requested that the Offices of the Chief Information Officer (CIO) and the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) work with you to carry out an aggressive corrective action plan. Implementation of this multi-faceted plan will emphasize personal information protection, inventory reconciliation and accuracy, personal accountability, training, and adherence to reporting requirements.

#### PROTECTING PERSONALLY IDENTIFIABLE INFORMATION

Recent guidance contained in OMB memoranda M-06-16, "Protection of Sensitive Agency Information," and M-06-19, "Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments," establishes requirements for the protection of PII and reporting incidents involving PII. The Department has assessed its policies, procedures, and processes and has identified several areas in which PII security must be improved, including the following.

- Encryption software to protect sensitive information will be deployed across Commerce.
- Secure configurations will be developed for BlackBerrys and other personal digital assistants.
- A process for promptly reporting and responding to PII losses will be established.
- Policies and procedures for remote access to Commerce network resources will be examined and revised as may be necessary.

## **CONTROLLING AND ACCOUNTING FOR PERSONAL PROPERTY**

The Department's *Personal Property Management Manual* serves as a central source of guidance regarding both government-wide and Commerce-specific requirements for managing personal property. It is available electronically at <http://www.osec.doc.gov/oas/imd1/manuals.htm> or in printed format from the Office of Administrative Services (OAS) in the Office of the CFO/ASA. Steps are being taken to ensure full compliance with its provisions, such as those described below.

- An accurate baseline inventory of all personal property is being compiled and reconciled with existing personal property databases.
- Existing personal property databases are being examined and upgraded as needed to improve their operation and accuracy. Ultimately, a centralized database will be established that will include all of the Department's personal property.
- A certification program is being established by the Department to coordinate appropriate training for Property Management Officers, Property Accountability Officers and Property Custodians.
- A new module is being developed for the Department's Learning Management System to provide annual training to all employees regarding their responsibilities relative to government property.
- Personal accountability is being enhanced by requiring that performance plans for employees involved in property management contain appropriate provisions, that receipt of personal property by Property Custodians is properly and consistently documented, and that managers verify the return of personal property from all separating employees.
- A Commerce-wide internal control review of personal property is being conducted in accordance with the Federal Managers' Financial Integrity Act.

## **MONITORING PROGRESS**

The CFO/ASA and CIO will be reporting to me weekly on your progress in meeting these challenges. For the purpose of standardization, they will be providing you templates for you to use in your reporting. The attachment is the format that these collective templates will take in my reporting back to you and will be a point of discussion in future senior staff meetings.

A separate monthly report on lost, stolen and missing laptop computers will be required from the Property Management Officers for each operating unit. These reports will provide information regarding individual incidents involving laptops, the extent to which Property Boards of Review are used to investigate property losses or related management concerns, and the extent to which reimbursement and/or disciplinary action was determined to be appropriate.

## **OPERATING UNIT AND DEPARTMENTAL RESOURCES**

Your assistance in this effort is critical to its success. As we move forward, I encourage you to consult with managers and staff in your organization regarding its property management practices and responsibilities.

Additionally, subject matter experts at the Department level are available for further discussion. Information regarding the protection of PII, may be obtained from William Lay, Director of the Office of Information Technology Security, Infrastructure and Technology, at 202-482-4708 or Terri Ware, Chief of Staff for the CIO, at 202-482-4797. Questions regarding personal property management may be directed to Fred Fanning, Acting Director for Administrative Services, at 202-482-1200 or Rhonda Jackson, Director of the Office of Administrative Operations, at 202-482-3721.

Attachment

# U.S. Department of Commerce

## Personal Property Management Actions

Bureau	OS	BIS	ESA	CENSUS	BEA	EDA	ITA	MBDA	NOAA	NTIA	PTO	TA	NIST	NTIS
	Wolff	Foulon	Anderson	Kincannon	Landefeld	Baruah	Lavin	Langston	Lautenbacher	Kneuer	Dudas	Cresanti	Jeffrey	Herbst
Implement Procedures for; and Reconcile/Certify Laptop Inventory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review Controls for PDAs, Cell Phones, Removable Memory Storage Devices, Etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
100% Inventory/Certification of all Personal Property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Include Property Critical Element in Performance Plans of all Property Managers, Custodians, and Accountability Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
100% of Property Officials Complete Certification Program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Establish Bureau Specific Procedures for Ensuring Property Accountability by Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Empanel Property Review Boards (PRBs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Implement PRB recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conduct A-123 Internal Control Review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Migrate to the Department Personal Property Management System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>